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LETTER

TO

THE RIGHT HONORABLE
HENRY DUNDAS,

One of His Majesty's Principal Secretaries
of State, &c. &c. &c.

FROM

THE COMMITTEE

OF

BUYERS OF EAST-INDIA PIECE GOODS

FOR

HOME CONSUMPTION,

RESPECTING

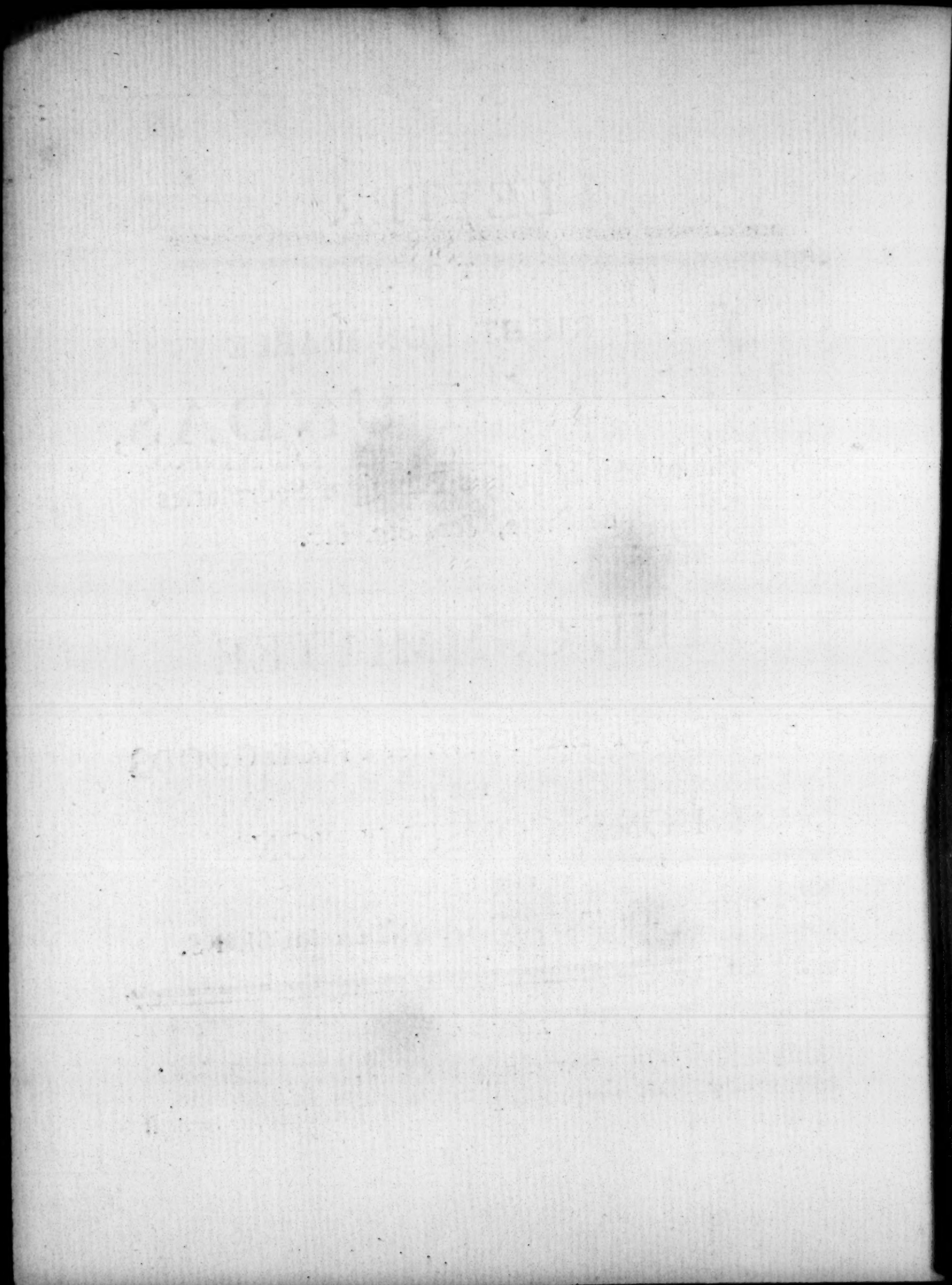
THE PROHIBITION OF INDIA MUSLINS.

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M.DCC.XCIII.



The Right Hon^{ble}. HENRY DUNDAS,

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WHEN we had the honor of waiting on you last, respecting the prohibition of India piece goods for home consumption, it was in the first moment of our alarm at a negotiation, which we understood was prosecuting, to deprive us of our very existence as commercial men. We have since given the subject our most mature deliberation—we have endeavoured to reason upon it as became good and enlightened citizens, sensible that private claim ought not to stand in competi-

tion with public good. But, in whatever point of view we examine it, we see and we deprecate ruin to ourselves, loss to the public revenue, a defalcation of the sales of the East-India Company, and ultimately a serious disappointment to those very persons, who seem to demand us as a sacrifice to crude ideas, rash speculation, and insatiable avarice.

As it respects OURSELVES, we cannot forbear expressing our firm persuasion, that we need but state to you the circumstances and extent of the injury we should sustain from the prohibition in question, to insure to us that protection and consideration which no description of his Majesty's subjects, connected with the department over which you preside, has hitherto solicited in vain.

Brought up to this peculiar branch of traffic, and some of us deriving it from our fathers, we have devoted our capitals almost exclusively to it's cultivation; we have, after long and hazardous experience, formed settled connections among the venders of India piece goods for immediate consumption, and, by our eminence

as wholesale dealers in that line, have attracted, from all parts of these kingdoms, to our respective warehouses, customers for various articles of British manufacture. These advantages, collateral as well as direct, have been enjoyed by us and our predecessors, under the protection and encouragement of the laws, for upwards of a century past. We have comported ourselves, in strict obedience to those laws; and we believe, as subjects, lived without reproach.

Had some great national advantage required this measure, the benignant spirit of the British government would have suggested the only consolation such necessity admits of, namely, Indemnification to the suffering party; but if upon the mere motion of a handful of private manufacturers, who owe to our anxious and indefatigable exertions their recent acquaintance with the nature of India piece goods, and consequently the very existence of their manufactories, who have not poverty for their plea, but whose chief argument arises from their incredible success, and whose stimulus is known to be that avidity which success too often inspires; if upon the requisition of such men, whom

yourself, in terms unanswerable, describe as "acting in too narrow a view of the subject," our capitals are suddenly to stagnate, or be thrown into new and untried channels; our present connections to be abruptly dissolved, our trade annihilated, and our families undone; we shall indeed have reason to regard ourselves, not as victims devoted to the public good, but marked out by wild theorists as the unfortunate subjects for dangerous experiment. We will not believe ourselves so abandoned by his Majesty's ministers; through you, Sir, we implore their protection.

As to the PUBLIC REVENUE, were we to content ourselves with pointing out an immediate loss of £100,000. per annum, arising from the prohibition alluded to, and the consequent remission of export duties, we should appear presumptuous to an administration whose vigilance must have anticipated that circumstance; but when we avail ourselves of our commercial experience, to state in what way such a prohibition will encourage and encrease smuggling, we know that we perform an acceptable service.—It is generally admitted that the fine muslins can find no

market throughout Europe, except in London; and though, under the proposed prohibition, they cannot be *publicly exposed*, they will nevertheless be essential to the *private* assortment of every retail dealer. Customers of the more fashionable and profitable description can only be so attracted to his shop; he knows, that there is no arguing against taste; and that, if he does not supply his customers with a favorite article, his less scrupulous neighbours will. When therefore the retail dealers can no longer obtain India muslins from the regular wholesale houses, they will buy them of the illicit trader, who, sure of a customer on the one hand, and encouraged by the remission of the export duty on the other, will not fail to convey them to parts of the world sufficiently favorable for the purpose of smuggling them in again.

Government know by experience the utter impossibility of preventing this conduct: the history of every such article is against the attempt. Certain silk piece goods are absolutely prohibited from home consumption, but universally used. Cambricks were also strongly prohibited, the duty to government was lost by the measure,

but the consumption continued;—the prohibition was withdrawn, the duty was restored, and the consumption continued *nearly the same*. This must inevitably be the case with India muslins, unless it were possible for the eye to judge so acutely as to detect the wear of them; and, were this practicable, we contend it would be still infinitely worse for all parties; for, once remove the idea of a lady's dress **being** India, take from her the repute of this delicate and expensive attire, by the known improbability of it's being such, and we have very little doubt but there will soon be an end of the fabric altogether. But, as we shall have occasion to mention this almost certain consequence, when speaking of the Company and the Manufacturers themselves, we will only add a fact which cannot fail of having weight with your humane mind; namely, that there are some thousands of females employed, in and about London, in adding ornaments of tambour and other works to India muslins, not to mention a colony of Moravians in Yorkshire, and a great number of those inoffensive people in Derbyshire, Bedfordshire, and Bristol, who are also so employed.

In regard to the EAST-INDIA COMPANY, we are aware, that, at first sight, the prohibition of piece goods for home consumption may not seem to affect them in a pecuniary way, as they would experience so considerable a remission of the duties which they now pay on piece goods exported. Whether it may not be expedient to enable the East-India Company to meet the clandestine and other traders at foreign markets, by such a remission, if the prohibition takes place, or no, is not for us to say; but we beg leave, Sir, to call your attention to that *competition* which at present prevails, between the purchasers for *exportation* and those for *home consumption*. We are prepared to prove almost to demonstration, that the latter absenting themselves from the sales, and leaving them to the former (who are few, and can confederate) will make an immediate difference of £20. per cent. at least, upon the whole amount of their sales.—Say £20. per cent. upon £1,290,661. (the average of eight years) making a total loss of £258,132. per annum. Or, admitting the smugglers (who will then become the real purchasers for home consumption) should attend the sales, still, as they will be in the character of buyers for exportation,

it cannot raise the necessary competition, should they even refrain from confederating with the foreign purchasers. The loss which has arisen, and ever must arise, from want of due competition, has been recently experienced, owing to the embarrassed state of trade on the continent. It matters not which party is absent: the sales of the Company require to be kept up by two descriptions of buyers; namely, for foreign and domestic consumption. But, if there be any thing like probability in our former arguments, as to the decline of the fashion here in consequence of the prohibition, it must affect the Company still more deeply. London is known to impose her fashions as to dress, more or less, upon the greater part of Europe; and, if her example should be followed in the rejection, as it has been in the adoption of muslins in general, how deplorable would be the consequence to the finances of the Company, to the immense number of her Asiatic subjects, and to the numerous traders connected with her here.

Were the proposed prohibition, however, even unconnected with the finances of the Company, we conceive, that, according to every mercantile principle,

we have the strongest claim upon that body for encouragement and support: we have, for a great number of years, been among the most steady of their customers; we have dealt with them largely, and performed our engagements faithfully. Indeed, such is the sense of the directors and proprietors of the respect due to our ancient connection with them, that, at a general court of the latter, held on the 28th ult. the following resolution was unanimously agreed to:

*“ That it is the opinion of this Court, that the
 “ purchasers of piece goods from the East-India Company
 “ are peculiarly entitled to the protection of his Majesty’s
 “ government, and the support of the Company.”*

We with the more pleasure quote this instance of their cordial friendship for us, from the known regard which you bear to that respectable Corporation.

With respect to the MANUFACTURERS, it is impossible, from a consideration of all the circumstances, but to conclude, either that they are totally mistaken in their premises as to the *amount* purchased

for home consumption, or that their real view, in this application, is extremely different to that which they would wish to be understood as such, by his Majesty's ministers.—We cannot easily bring ourselves to think that any set of men possessing common liberality of sentiment, whose manufactures, within the last ten years, have encreased from about three millions to twelve millions per annum, would think it expedient to attempt the ruin of a whole class of traders, for the sake of so small an amount as the prohibition of India muslins consumed in Britain (which does not exceed £300,000. per annum) would add to their respective returns; and even this addition highly problematic, from the circumstance of smuggling alluded to. We have before stated our conviction that, if the fashion continues, India muslins will experience a mere change of hands; the trade will be drawn from men of responsibility, who have hitherto conducted it with great reputation to themselves, to men of the most immoral description, who live by a daily violation of the laws, and whose adventures, if successful, will enable them so much to undersell the regular and fair trader, as to compel a greater reduction in the price of British muslins than

the Manufacturers are perhaps aware of. Every reduction of price will render the article less in fashionable request, (for such is the undeviating course of trade) and consequently accelerate that total rejection, which we are persuaded must ensue.—A due mixture of the India manufacture is absolutely essential to preserve the reputation of the whole, and the British is already amply protected, by the high freight, insurance, interest of capital for two years, £18. per cent. duty, and other incidental charges, to which the India muslins are subject.

From the incredible success which has attended the sale of British muslins (a very great proportion of which are passed for India) the British Manufacturers are become no mean candidates for the foreign trade; but, should they fail in adding the comparatively trifling amount of *our* sales to their immense returns, how great will be their mortification to find that, owing to this inordinate attempt to grasp at the whole of the home consumption, the Company's muslins meet them £30. per cent. cheaper than heretofore, owing to the whole of the duty being withdrawn, and the price con-

siderably fallen, from the check which the article will have received at the London market, for want of the usual competition.—Add to this, the inevitable decline of the fashion, and the sufferings of all concerned; and it will afford the world one lesson more of narrow policy over-reaching itself. The Manufacturers alluded to must understand the principles of commerce too well, not to see that the risk is abundantly greater than the object: we can only therefore impute their conduct in the present instance, to that design, which they have long entertained; which they have uniformly persevered in; and which the legislature has in some instances interfered to protect us from; namely, of diverting the whole of the cotton trade, and by degrees every other branch of British manufacture, from the city of London to the distant provinces.

Although we have thought it our duty to enlarge upon the probable consequences of the measure in question, we beg leave, with the greatest respect, but with the earnestness of men whose best hopes are at stake, to repeat our claim to the protection of his Majesty's government; we feel ourselves every way

entitled to it, and we trust we shall not be suffered to solicit it in vain.

We observe, Sir, that the concession which you seemed disposed to make to the entreaties of the Manufacturers, was qualified with a hope, "that, if experience shall prove to them that they are in an error, they will have no difficulty in confessing it, and re- turning to the other system": but surely, Sir, the fate of one order of citizens should not hang upon the caprice of another! Is it fitting, that while a few Manufacturers are making an experiment, which you acknowledge yourself to doubt, and in some degree to disapprove, a great and respectable body of men should be driven in consequence to despair, or sunk in irretrievable ruin? Suffer us rather to derive hope from your more recent intimation, "that the question will undergo a revision". We believe, that, if no such body of men as ourselves existed, his Majesty's ministers would wish it's institution, were it only to furnish a medium between the contradictory arguments and claims of those who seek our annihilation.

We have thus taken the liberty to express our sentiments fully in writing, from an opinion that they may be more easily examined than in conversation:—At the same time, we shall be happy to support our propositions by detail, where necessary; and to have permission to state personally, if occasion should require it, such circumstances as may be immediately connected with interests of so much importance.

(Signed)

By the order of the Committee of Merchants and
Drapers, Buyers of India Piece Goods,

THOMAS BROWN, CHAIRMAN.

LONDON,
April the 6th, 1793.

